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SURPLUS

An Introduction to Alberta's Crown Corporations

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This paper was prepared for a presentation to an introductory course in Canadian Political Science at the University of Alberta in April 1984. Special thanks goes to Professor Hulmes for allowing me time in his class to make this presentation.

Designed to introduce second and third year students to provincial crown corporations, this paper focuses on the general definitions, reasons for creation, and issues surrounding crown corporations, particularly those within Alberta.

While crown corporations are not a new, nor uncommon phenomena in Canada, they have received unprecedented attention in the last few years because of their increasing importance as instruments of public policy. This is true of not only federal crown corporations, but provincial crown corporations as well. Since 1970, the number of provincial crown corporations has almost doubled.[1] (Total assets however have increased only 13% since 1970; see Tables 1 and 2.) The reasons behind the creation of these corporations as well as their goals vary; what is common among all the provincial governments is a rejection of the forces of the free market and federal policies as the sole determinants of economic growth.

Sixty percent of the crown corporations in Alberta have been created since 1970. They now number about 20, which is 8.6% of all provincial crown corporations in Canada.[2] This paper will focus on Alberta's crown corporations that have, as the focus of their goals, to strengthen or diversify Alberta's economy. This distinction is necessary so that some of the crown corporations such as the Alberta Art Foundation and the Alberta Liquor Control Board that serve a social or departmental function do not have to be included in the discussion. Appendix 1 shows the division of Alberta's crown corporations into these two broad categories.

More specifically, the following questions will be addressed: why has the government intervened in the economy and why has it chosen the public corporation as an instrument? What constraints are there

Growth of PCCs, 1900-1980

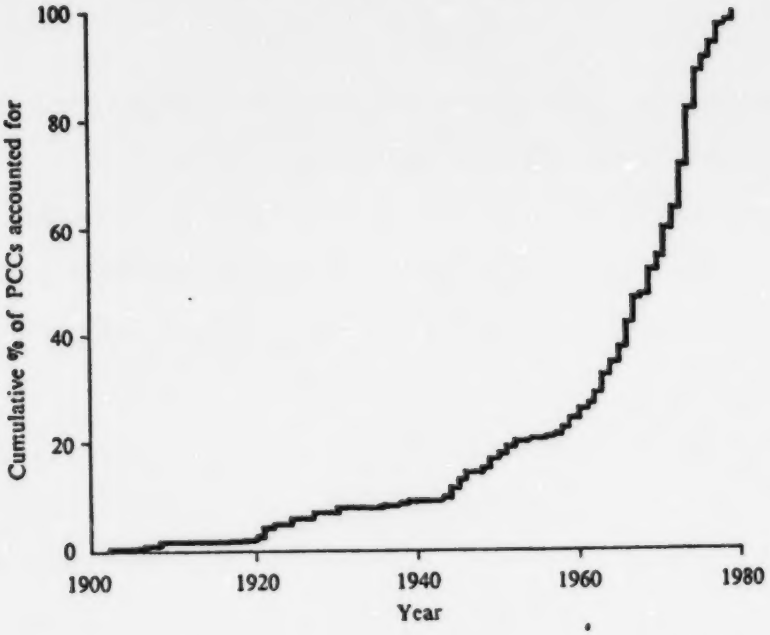
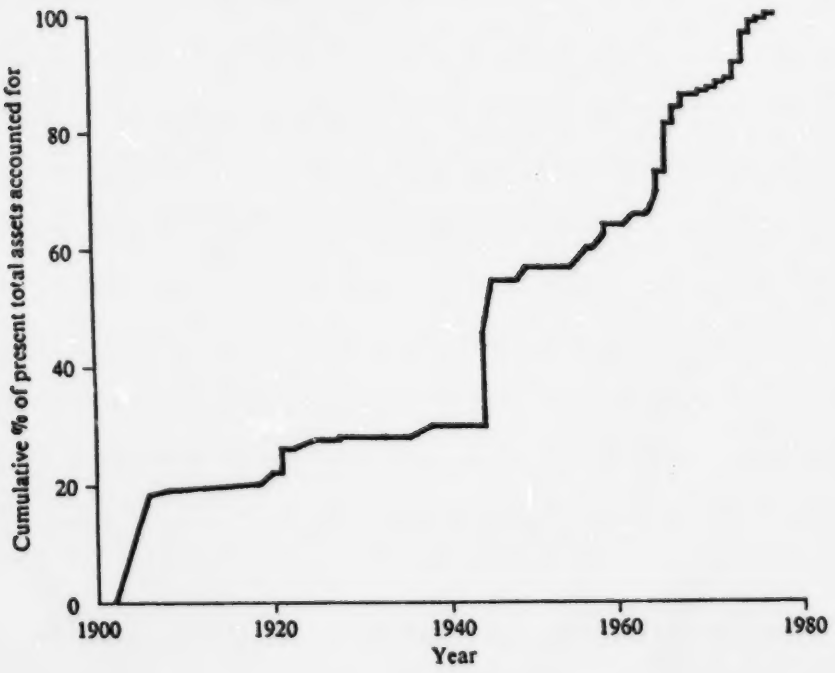


TABLE 2

Growth of PCC Assets, 1900-1980



Source: Aidan R. Vining and Robert Botterell, "An Overview of the Origins, Growth, Size and Functions of Provincial Crown Corporations," in Crown Corporations in Canada, edited by J. Robert S. Prichard, (Toronto: Butterworth & Co. (Canada) Ltd., 1983), pp. 320-321.

in utilizing this form of public policy? What are the unintended or less desirable results of intervention? How do Alberta's crown corporations differ from those of other provincial governments? In addressing these questions, this paper does not ask whether or not these corporations should exist or whether or not they act in accordance with their mandates; instead, how can their creation, purposes, and constraints be better understood?

DEFINITION

A crown corporation can be defined as an institution with corporate form created by the government to serve a public function.[3] In other words, it has a structure similar to private corporations but its commercial or profit-making goals are secondary to broad social, cultural, and economic goals established by the government.

Crown corporations are controlled by legislation which creates them and sets out their terms of reference. While the legislation does not directly control the crown corporation, it does define jurisdictional limits beyond which the corporation cannot act.[4]

Another source of control over a crown corporation is through its financial relationship with the government, especially one which requires additional revenue yearly. While estimates of crown corporations are voted in far less detailed form than department

estimates, their expenditures must still be publicly justified annually. Further, financial statements of most crown corporations are subject to an audit by the Auditor General.[5]

The basic difference between a government department and a crown corporation is in the degree of political control exercised over them. While a government department has a Minister and a deputy Minister who participate in the decision making process, most crown corporations are headed by an independent board of directors who are wholly or partially appointed by the government.[6] Therefore, activities of crown corporations are not supervised directly by the minister and as a result, crown corporations are provided with more freedom. But, since there is a need for accountability of public funds, each crown corporation usually has a minister designated responsible for it, who must defend government policy surrounding the corporation and guide its estimates through the legislature.[7]

Generally, government enterprise is found where private enterprise, for some reason, is needed, but absent. This usually occurs where there is some public need with commercial characteristics which "private enterprise is unwilling to fill, should not be expected to fill, or is unsuitable to fill."[8]

WHY GOVERNMENTS CHOOSE CROWN CORPORATIONS AS INSTRUMENTS

The most common reason that a crown corporation is used by a government as an instrument of public policy is that it can combine

the need for public accountability with the freedom of initiative of private enterprise. In this way, it theoretically combines the good elements of both public departments and private enterprise: actions on behalf of the public interest are accomplished in the most efficient manner. Government departments are not designed for carrying on commercial activities; the commercial structure of a crown corporation is more flexible, independent, and less restrained from government red tape.[9] Most importantly, these activities are more distant from political interference than a government department. In theory, the corporations do not have to respond to political pressures since they are at arm's length from the government.[10]

For example, the Alberta Housing Corporation was created to provide housing to modest and low-income Albertans. Instead of having programs implemented through the Department of Housing, a crown corporation was established "to allow a flexible and pragmatic approach to meeting housing needs in a manner which is meant to integrate the resources and accountability of Government with the business practices of the private sector."[11]

This still fails to explain why, when governments want to support or promote investment, they use crown corporations rather than other instruments such as subsidization through private lending institutions. However, it is argued that when there are multiple public programs or objectives for intervention, crown corporations may be more cost effective than a private firm in coordinating the programs.[12] For example, Alberta's Agricultural Development

Corporation provides financial assistance in the form of loans to farmers, associated businesses, and agricultural industries who cannot obtain loans from traditional lending institutions at reasonable rates.[13] Trebilcok and Prichard agree that crown corporations may be more effective in this situation:

> While each form of assistance might be offered through different instruments, including government subsidization of private lending institutions, it would be difficult to achieve the same degree of coordination and integration of assistance programs that is possible through crown corporations.[14]

Another reason why governments intervene in the economy through crown corporations rather than through other policy instruments is because it enables them to conceal total financial involvement.[15] This is especially important for governments which espouse free enterprise philosophies because they can intervene in the marketplace while insisting that they are not. This was especially relevant for the Alberta Government in the 1970s with its increasing intervention in the economy which was designed to develop and diversify the province's economic base.

Public ownership may also be attractive as a method of arousing public attention to the government's commitment to a certain policy or set of values.[16] Having a program implemented through government departments or private institutions would not attract as much attention. While it is impossible to say in which decisions to create crown corporations this was a consideration, crown corporations such as the Alberta Opportunity Company and the Agricultural Development

Corporation, which provide loans to small businesses and farmers respectively, provide these publicly accepted policies with greater attention than they would otherwise receive if they were implemented through a government department or independent lending institution.

GOALS AND RESULTS

The question of why the government has intervened revolves around a desire to strengthen and diversify Alberta's economy. This desire arises from the distrust of a market economy which is controlled outside of the province. As Pratt and Richards indicate,

> Fear of new federal incursions and distrust of a market economy under outside control have manifested themselves in a series of related policy interventions, virtually all of which have been justified in the name of Alberta private enterprise. Through companies such as Alberta Gas Trunk Line and the Alberta Energy Company, Alberta capitalists and the provincial government have been involved in a close alliance for purposes of regional empire-building.[17]

And, Premier Lougheed has stated that the objectives of Alberta's development strategy are:

> ...to strengthen the control by Albertans over our future and to reduce the dependency for our continued quality of life on governments, institutions or corporations directed from outside the province.[18]

In the 1970s with Alberta's wealth from natural resource royalties, the province had the financial resources to pursue aggressive fiscal policies.

The belief that the private sector is the engine of growth and is the supplier of jobs has been the premise upon which the government has intervened in the economy. Consequently, several crown corporations have, as their objectives, to strengthen existing and attract new investment. This is a quantitative measure and for the most part, does not attempt to change the nature of the economy. This is fulfilled through the provincial lending agencies that make it easier for local companies to borrow development capital. The borrower can more easily contact those at the head office and present his case much more convincingly in person. As well, the agency can also appraise an enterprise in terms of local conditions.[19] This makes capital available at a lower price than the private market would charge, given the level of risk of investment.

The best examples of this are the Alberta Opportunity Company and the Agricultural Development Corporation. Designed to provide last resort financing for small businesses and farmers, they are explicitly not meant to compete with traditional lending agencies. This intervention makes financing available to those unable to get financing elsewhere.

Other crown corporations attempt to make a qualitative change in the economy by diversifying the economic base. There is a recognition that Alberta's economy is too narrowly based - it depends almost exclusively on natural resource development and hence its well-being relies largely on international prices and availability of largely non-renewable resources. With a more diversified economic base, the

economy would be more insulated against price fluctuations for Alberta's exports. Such diversification, in many cases, requires entrepreneurship that the private sector is unwilling to supply to a land-locked province such as Alberta with a relatively small population, distant from markets. As a result, The Alberta Government has attempted to encourage investment by providing research and development facilities designed to aid corporations in establishing a viable industry. As a result, part of the risk of economic development is assumed by the public.

The best examples are the Alberta Research Council and the Alberta Oil Sands Technology and Research Authority. The Alberta Research Council is a crown corporation of more than 500 employees which promotes economic development through a broad range of research in science and technology. Although the Alberta Research Council is not exclusively designed to diversify the economy, a decision was made last year that more emphasis be placed on high technology, especially in areas which offer considerable potential for broadening the province's economic base.[20] The Alberta Oil Sands Technology and Research Authority was created in 1974 and was originally designed to develop new technology for the recovery and processing of petroleum from the Alberta Oil Sands. Since then, it has been amended to include recovery from conventional petroleum reserves.[21]

Alberta's actions in attracting investment are not unlike those of other provinces. Financial assistance, technical research and market information services are common. For example, there is the

Manitoba Development Corporation, Quebec Development Corporation, Nova Scotia Industrial Estates Limited, and Newfoundland Fisheries Loan Board. What results is that provinces end up competing for investment. It is difficult to say how this affects the location of industry within the country. However, as Brewis points out, incentives are to some extent self-cancelling, the incentives in one province being offset by those in another.[22] In addition, this interprovincial competition may serve to strengthen the position of corporations whose investment capital is being sought, and as a result, ultimately increases the subsidy that is paid to attract the capital.

Policies which are designed to promote provincial economies restrict the flow of capital, goods, people, and services. As a result, they act as non-tariff barriers within the Canadian common market. According to mainstream economic theory, this means that the factors of production are not employed efficiently and the cost of producing goods is higher than it would be if factors were free to move and locate in the most optimal areas.

As more and more province building strategies are pursued, the more and more provinces are developing without regard to the national economy. This increasing decentralization is leading to a balkanized economy. In a period where world markets are becoming more and more competitive, this does not fare well for the continued economic viability of Canadian exports. Canada already has a small economy

that must compete with other countries which are larger and more centralized.

An important element in the examination of the goals of provincial crown corporations is: who benefits from their existence? First, it is important to establish that crown corporations in Alberta do not challenge or pose a threat to private enterprise. Instead, they provide public money to supplement and support the private sector. It is difficult to determine who really benefits. Supporters of the Lougheed government and its ideology maintain that the engine of growth in Alberta is the private sector, and support of the private sector provides jobs from which everyone benefits. Those who are more critical maintain that this engine of growth, private enterprise, takes risks at public expense, and the public does not receive a real return for being the risk-taker.[23] As well, there are few or no conditions on state assistance, and proponents of this belief maintain that, on balance, the business class benefits. As Whitaker notes of state intervention in a capitalist economy:

> Instead, the state offered an instrumentality for facilitating capital accumulation in private hands, and for carrying out the construction of a vitally necessary infrastructure; for providing the Hobbesian coercive framework of public order and enforcement of contract within which capitalist development could alone flourish; and, finally, for communicating the symbols of imperial legitimacy which reinforced the legitimacy of unlimited appropriation in a small number of private hands. The basic engine of development in Canada was to be private enterprise, but it was to be private enterprise at public expense.[24]

This criticism was echoed in comments made by Grant Notley, leader of the New Democratic Party, during second reading of the bill to create the Alberta Oil Sands Technology and Research Authority:

> We have found throughout Canada's history that large sums of money have been spent and, at least in part, this money has found its way into the coffers of corporations. There really hasn't been any guarantee or provision made that the taxpayers will, in fact, gain from that public expenditure directly, by controlling the technology.[25]

CONSTRAINTS

Governments are often constrained in their use of crown corporations. Ideology is often a restraining factor with conservative governments since they do not believe in interference in the private sector. As a result, a decision to use a crown corporation may meet with opposition from those who maintain that the forces of the free market, unfettered, allocate resources in the most efficient manner. Many believe that crown corporations have advantages over other corporations. They may be knowledgeable of government policy in advance and adjust their actions accordingly. Most importantly, the debts of crown corporations are guaranteed by the government. This is very important in borrowing money because when debts are guaranteed, the risk to the lender is less, and as a result, the rate of interest on the loan is less. Consequently, there is a need for the government to justify its use of the public corporation as a policy instrument.

Another constraint on a government's use of the crown corporation revolves around the characteristics of accountability and autonomy. These are among the most important reasons why crown corporations are created: autonomy of private enterprise with a public function. However, these two characteristics are conflicting or contradictory: the more accountable a crown corporation is, the more it must be controlled by the government and the less autonomous it is. Similarly, the more autonomous a crown corporation is, the less control the government has on it, and hence, the less accountable it is. Since these intrinsic characteristics of a crown corporation are conflicting, accountability cannot be fully reconciled with the arm's length relationship which the theory of public enterprise requires government, ministers, and Parliament maintain with crown corporations. As a result, even though the financial status, medium and long term plans, expenses, and management of a crown corporation must be accountable to the public to ensure that its actions are in the public interest, this need to be accountable infringes on the corporate autonomy that is also valued in crown corporations.

These constraints were demonstrated by the Lougheed government's purchase of Pacific Western Airlines in 1974. The purchase of PWA was unlike previous intervention since it represented the ownership of an important industry in competition with an existing airline, Time Air. The Conservative government, after having acquired the airline, had to justify its acquisition. Lougheed tried to convince those opposed that PWA was a monopoly, not a free enterprise, and that public ownership was compatible with Tory ideology.[27] Because of this

opposition, PWA as an instrument of public policy was limited. What was originally a potential tool of development was rendered powerless. But Pacific Western Airlines was still criticised because it was not used to promote economic development. Otherwise, these opponents asked, why was the airline purchased?

Pacific Western Airlines was also criticized for its autonomy and lack of accountability. Since PWAs status was not defined by statute, public control over it was unclear. As well, Pacific Western Airline's profitability and related financial independence from the government robbed the legislature of potential influence through the budgetary process. Consequently, legislative scrutiny was limited to occassional debates about the airline's major undertakings and questions during the daily question period.[28] If Pacific Western Airlines had been more accountable, there would have had to have been controls over it which defined its role, scope, and parameters. In this case, it would have lost its autonomy which, along with accountability, is valued in a public enterprise.

MAIN DIFFERENCES AND SIMILARITIES BETWEEN ALBERTA'S CROWN CORPORATIONS AND THOSE OF OTHER PROVINCES

While provincial corporations are diverse in size, growth, and origin, they are common in the broadest sense in that they are more distant from the political process than a government department, yet they are still accountable to the legislature. Different provinces

however, manage this in different ways with the result that some province's crown corporations are more accountable than others.

In Ontario, a study in 1974 revealed that crown corporations had a great deal of autonomy, were created in an unsystematic and ad hoc fashion with a low level of interaction with other government activities, and were often funded without detailed scrutiny. As a result, a review committee was set up in 1978 which eliminated various agencies and boards. As well, a policy was put forth which required that ministers draft a memorandum of understanding which sets out the objectives of each crown corporation and how they relate to government. Most significantly, a standing committee on procedural affairs was created to review agencies, boards, and commissions on a regular basis.[29] However, there is still no effort made at a coordinated economic direction, or the creation of a common legislative framework for crown corporations.[30]

Saskatchewan has a more unified direction of its crown corporations. This system consists essentially of four elements. The first is the practice of cabinet ministers serving as chairmen and directors of the boards of crown corporations. The second element is the establishment of the Government Finance Office or the Crown Investments Corporation, which is a crown corporation itself which acts as a central coordinating agency for crown corporations. It was established in 1947 ([illegible] power was diminished with the Liberal government from 1964-71 when activities were undertaken by the Department of Finance). The third element is the general statute

called the Crown Corporations Act. This is not the only piece of legislation under which crown corporations are established as many of the larger corporations have their own legislation, but it outlines the power of cabinet to create crown corporations and specifies that the corporation will be responsible to the minister. The fourth element is the standing committee of the legislature on crown corporations, established in the late 1940s. It reviews the activities of the crown corporations, examines financial reports and statements, and has a general scrutinizing role.[31] Some have argued that what was once an effective committee is now politicized. As a result, opposition members have given up hope of passing recommendations and the committee's usefulness appears to have diminished.[32]

Since 1978, British Columbia has had a legislative committee to review and examine the management, administration, and operation of the major crown corporations. The committee, according to Michael Cassidy, appears to have worked with a good deal of interparty cooperation. Many of its recommendations have been accepted and implemented. Furthermore, this committee has established its credibility to the point that the crown corporations now appear to accept the need for a public forum, a forum which allows them to seek support for their activities as well as reviewing management performance.[33]

In Alberta and the rest of the provinces, there are no formal mechanisms yet in place to provide accountability for crown corporations. This does not mean that the question of accountability

is completely silent. Annual reports are usually tabled in the legislature and estimates must be passed by the Legislative Assembly. As a result, opposition members still have recourse in budget debates and questions during question period. However, it is argued that such processes are intermittent and seldom probing since the material available to analyze the performance of a crown corporation is often too vague and general to evaluate.[34]

The Social Credit, in the mid 1970s, proposed that there be established, a Select Standing Committee on crown corporations and government agencies. But this was dismissed by the government as unnecessary. Designed to bring crown corporations under more systematic parliamentary surveillance, the legislation proposed that all major crown corporations be rigourously examined by the committee every three years.[35]

The goals of Alberta's crown corporations must also be compared with those of other provinces. The province-building role is not only prevalent with Alberta's crown corporations, but with those of other provinces as well. However, the development strategies vary widely, reflecting different economic circumstances, prevailing ideologies, patterns of political competition, and available financial resources.[36]

The most important distinction that must be made between the goals of Alberta's crown corporations and those of other provincial governments is that Alberta's corporations have not been created to

replace the private sector.[37] In most cases, Alberta's crown corporations do not own factors of production but are rather financial intermediaries. In response to a question at proceedings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act, Premier Lougheed has repeated this position:

> The one that quickly comes to mind that fits that catalyst role is the Alberta Oil Sands Technology and Research Authority. It's a significant amount of money. It is in the capital projects division, it does improve the long-term investment position of the province, but it is a catalyst role.[38]

In addition to the Alberta Opportunity Company, the Agricultural Development Corporation, the Alberta Research Council, and the Alberta Oil Sands Technology and Research Authority mentioned earlier, there is the Alberta Resources Railway, Alberta Government Telephones, and the Alberta Municipal Finance Corporation which provide infrastructure in order to create an environment in which private industry can flourish. As Pierre Fournier describes it, crown corporations are "a sophisticated subsidy system in which costs and risks are absorbed by the state, but control is left to private firms."[39] While the direct recipients of the assistance are specific interests within the private sector, it is maintained by the government that the resulting economic growth means more jobs and revenues and therefore everyone benefits.

It is also important to note not what kind of crown corporations Alberta has, but what kind are absent. There is another category of crown corporation that are intended to change the distribution of

economic benefits. In contrast to the facilitative type, these redistributive crown corporations involve the use of direct intervention in the economy and attempt to bring about a more equitable distribution of economic and social benefits. An example is the Potash Corporation of Saskatchewan (created in 1979), where economic rents as well as normal profits on investment go directly to the public treasury rather than being split between the public and private sectors through royalties. Other examples are public insurance corporations in British Columbia, Manitoba, Saskatchewan, and Quebec which provide benefits to people by providing lowered rates of insurance and whatever profits arise go to the public treasury.[40] As Chandler notes of these types of crown corporations,

> they are more threatening to the private sector because they are directed toward changing some aspect of the economy. Far more than the facilitative, they can be used as a power base by the provincial government for asserting control over the economy.[41]

Of the facilitative crown corporations, the non-left have created the overwhelming majority. Twenty-six out of 30 provincial development corporations have been created by governments of the non-left. In other areas in which the enterprises are also facilitative such as in power, research and development, and transportation, the non-left have again created an overwhelming majority, thirty out of thirty-six. Similarly, governments of the left have created the redistributive crown corporations.[42]

While Alberta is like the other provinces in that it has created facilitative crown corporations, it is unlike British Columbia, Saskatchewan, Manitoba and Quebec which have also had created, by government of the left, crown corporations that are instruments of redistribution. As a result, while governments of different ideologies utilize public corporations as instruments of public policy, the nature of the goals of these corporations differ. Whether or not this intervention is within the ideological parameter of a conservative party is subject to debate. Marsha Chandler thinks that it is:

> Crown ownership to promote rather than control is a policy tool well within the ideological ken of nonsocialists. Based on the shared interest of the state and the private sector, it involves the use of the state to further those interests....it does involve a blurring of the boundary between the private and public; it must be looked upon as "nonintrusive intervention."[43]

CONCLUSION

The increasing role of crown corporations in the economy has raised much concern over their goals, autonomy, and accountability. In the last decade, there was little demand for the Government of Alberta to justify its spending as most was funded by abundant resource royalties. Now, however, as royalties decline, Albertans are much more likely to question the rationale behind crown corporations and other government expenditures.

Like many other studies in public policy, this paper raises more questions than it answers. Can crown corporations be made accountable without losing their autonomy? Can the federal government do anything to hinder the balkanization of the country? Are facilitative crown corporations within the ideological realm of a conservative government? Does everyone benefit from subsidization of the private sector as is maintained by the government? Do crown corporations in Alberta fulfill their mandates and justify their existence, or would another instrument of public policy be more effective?

Appendix 1

CROWN CORPORATIONS IN ALBERTA

Strengthen or Diversify the Economy	year of creation
1. Alberta Research Council	1930
2. Treasury Branches	1938
3. Alberta Municipal Finance Corporation	1956
4. Alberta Government Telephones	1958
5. Alberta Resources Railway Corporation	1965
6. Agricultural Research Trust	1970
7. Alberta Opportunity Company	1972
8. Agricultural Development Corporation	1972
9. Alberta Energy Company	1973
10. Alberta Oil Sands Technology & Research Authority	1974
11. Pacific Western Airlines	1974

Primarily Social or Departmental Function	
1. Alberta Liquor Control Board	1924
2. Alberta General Insurance Corporation	1948
3. Alberta Hail and Crop Insurance Corporation	1969
4. Alberta Housing Corporation	1970
5. Alberta Environmental Research Trust	1971
6. Alberta Art Foundation	1972
7. Alberta Educational Communications Corporation	1973
8. Alberta Home Mortgage Corporation	1976
9. Special Waste Management Corporation	1984

NOTE: These categories are not absolute and there is some overlap. For example, the Alberta Housing Corporation is included in the social or departmental category. Yet it does play a limited role in economic development with its Industrial Land Programs. However, its main function is to provide middle and low income Albertans with affordable housing and as a result, it is classified in this paper as having a departmental function.

NOTE: Vining and Botterell list crown corporations as those included in the above list. They exclude commissions, boards, and foundations that the Alberta Government includes in its list of provincial corporations in public accounts.

FOOTNOTES

[1]Aidan R. Vining and Robert Botterell, "An Overview of the Origins, Growth, Size and Functions of Provincial Crown Corporations," in Crown Corporations in Canada, ed. J. Robert S. Prichard (Toronto: Butterworth & Co. (Canada) Ltd., 1983), p. 320.

[2]Ibid., p. 325.

[3]C.A. Ashley and R.G.H. Smails, Canadian Crown Corporations (Toronto: Macmillan Company of Canada, 1965), p. 3.

[4]Richard J. Van Loon and Michael S. Whittington, The Canadian Political System, second edition (Toronto: McGraw-Hill Ryerson Ltd., 1976), p. 397.

[5]Ibid., p. 396.

[6]Brooke Jeffrey and Mildred Morton, Crown Corporations: Issues for the Eighties (Ottawa: Research Branch, Library of Parliament, 1982), p. 11.

[7]John McMenemy, The Language of Canadian Politics (Toronto: John Wiley and Sons Canada Ltd., 1980), p. 73.

[8]Institute of Public Adminstration of Canada, Proceedings of the Eighth Annual Conference, p. 146, cited by Ashley and Smails, Canadian Crown Corporations, p. 7.

[9]Ibid., p. 7.

[10]In practice, however, it is difficult to separate politics from the crown corporation. Crown corporations are created by a government which determines their role, scope and parameters. Such government policy involves politics and if cabinet is to be responsible for policy as the doctrine of responsible government dictates, political considerations are significant.

[11]Alberta, Department of Housing, "Information Sheet"

[12]M.J. Trebilcok and J.R.S. Prichard, "Crown Corporations: The Calculus of Instrument Choice," in Crown Corporations in Canada, ed. J. Robert S. Prichard (Toronto: Butterworth and Co. (Canada) Ltd., 1983), p. 29.

[13]Alberta, Agricultural Development Corporation, Annual Report, 1982-83, p. 8.

[14]Trebilcok and Prichard, "Crown Corporations," p. 65.

[15]Jeffrey and Morton, Crown Corporations, p. 14.

[16]Trebilcok and Prichard, "Crown Corporations," p. 33.

[17]John Richards and Larry Pratt, Prairie Capitalism (Toronto: McClelland and Stewart Ltd., 1979), p. 237.

[18]Peter Lougheed, "Alberta's Industrial Strategy," (speech to Calgary Chamber of Commerce, September 6, 1974), cited by Richards and Pratt, Prairie Capitalism, p. 233.

[19]Philip Mathais, Forced Growth (Toronto: James Lewis and Samuels Publishers, 1971), p. 9.

[20]Alberta, Alberta Research Council, Annual Report, 1983.

[21]Alberta, Alberta Oil Sands Technology and Research Authority, Annual Report, 1983.

[22]T.N. Brewis, "Regional Economic Planning at the Provincial Level," in Regional Economic Policy: The Canadian Experience, ed. N.H. Lithwick (Toronto: McGraw-Hill Ryerson, 1978), p. 315.

[23]Reg Whitaker, "Images of the State in Canada," in The Canadian State: Political Economy and Political Power, ed. Leo Panitch (Toronto: University of Toronto Press, 1977), p. 43.

[24]Ibid., p. 43.

[25]Alberta, Alberta Hansard, May 27, 1974, p. 2537.

[26]Never officially a crown corporation, Pacific Western Airlines is merely classified as a government asset simply because the government chose it not to be a crown corporation. There is no legislation surrounding Pacific Western Airlines as to its status, objectives or finances. The corporation was bought by an order-in-council. Even though, in the government's perceptions, Pacific Western Airlines is not a crown corporation, it is treated as as a crown corporation here and in other academic studies.

[27]Allan Tupper, "Pacific Western Airlines," in Public Corporations and Public Policy in Canada, eds. Allan Tupper and G. Bruce Doern (Montreal: The Institute for Research on Public Policy, 1981), pp. 291-292.

[28]Ibid., pp. 299-300.

[29]Michael Cassidy, "Crown Corporations and the Canadian Legislatures - A Vain Search for Accountability," The Parliamentarian (July 1982), pp. 130-131.

[30]Ibid., p. 134.

[31]Don Gracey, "Public Enterprise in Canada," in Public Enterprise and the Public Interest, ed. Andre Gelinas (Toronto: The Institute for Public Administration in Canada, 1978), pp. 37-40.

[32]Cassidy, "Crown Corporations," pp. 135-136.

[33]Ibid., p. 135.

[34]Ibid., p. 136.

[35]Tupper, "Pacific Western," p. 301.

[36]Allan Tupper, Public Money in the Private Sector (Queens University: The Institute of Intergovernmental Relations, 1982), p. 28.

[37]The most obvious exception to the purely catalyst role is the Alberta Energy Company and Pacific Western Airlines which are more than vehicles to promote private investment. These crown corporations fit into a special category and are related to the nationalistic goals of the Alberta government to divert control of the provincial economy from out-of-province interests to indigenous interests. This intervention has been meant to counteract the national economic system and federal policies.

[38]Alberta, Legislative Assembly of Alberta, Standing Committee on the Alberta Heritage Savings Trust Fund Act, October 5, 1983, p. 369.

[39]Pierre Fournier, The Quebec Establishment (Montreal: Black Rose Books, 1976), cited by Marsha Chandler, "The Politics of Public Enterprise," p. 193 in Crown Corporations in Canada, ed. Prichard, p. 29.

[40]Martha Chandler, "The Politics of Public Enterpise," in Crown Corporations in Canada, ed. J. Robert S. Prichard (Toronto: Butterworth & Co. (Canada) Ltd., 1983), p. 211.

[41]Ibid., p. 211.

[42]Ibid., pp. 214-216.

[43]Ibid., p. 215.

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